



# COMMONWEALTH of VIRGINIA

## *Department of Medical Assistance Services*

PATRICK W. FINNERTY  
DIRECTOR

January 26, 2007

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Dear Pharmaceutical Manufacturer:

The Department of Medical Assistance Services (DMAS) successfully implemented a Preferred Drug List (PDL) for its Medicaid fee-for-service population in 2004. The PDL was developed with significant cooperation from pharmaceutical manufacturers who agreed to provide aggressive drug pricing and supplemental rebates in the design of a Virginia-specific PDL. While we understand that the Medicare Part D program has dramatically changed our utilization and spending patterns, we ask for your continued support in the upcoming contracting process.

The next annual review of PDL Phase II drug classes by DMAS' Pharmacy and Therapeutics (P&T) Committee is scheduled for April 2007. Existing contracts for PDL Phase II drug classes will end on June 30, 2007 and new contracts will begin on July 1, 2007.

The Department will seek Virginia-specific contracts for pricing and supplemental rebates directly with manufacturers. Supplemental rebate offers are being solicited for all single-source brand products in the therapeutic classes listed below:

- Oral Hypoglycemics (Second Generation Sulfonylureas, Alpha-Glucosidase Inhibitors, Biguanides, Biguanide Combination Products, Meglitinides, and Thiazolidinediones -TZDs)
- Leukotriene Modifiers
- Non-Steroidal Anti- Inflammatory Drugs (*now includes Cox 2 Inhibitors*)
- Long Acting Narcotics
- Serotonin Receptor Agonists (Triptans)
- Antihyperkinesia/CNS Stimulants (Medications for ADD/ADHD)
- Bisphosphonates for Osteoporosis
- Second Generation Cephalosporins (Antibiotics)
- Third Generation Cephalosporins (Antibiotics)
- Second Generation Quinolones – Systemic (Antibiotics)
- Third Generation Quinolones – Systemic (Antibiotics)
- Macrolides - Adult and Pediatric (Antibiotics)
- Oral Antifungals for Onychomycosis
- Herpes Antivirals
- Influenza
- Alpha-2 Adrenergic - Ophthalmic
- Beta-blockers -Ophthalmic
- Carbonic Anhydrase Inhibitors-Ophthalmic
- Prostaglandin Inhibitors -Ophthalmic
- Anti-Inflammatory - Ophthalmic
- Quinolones - Ophthalmic
- Antihistamines- Ophthalmic
- Mast Cell Stabilizers- Ophthalmic

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The Department has set the following timeline for seeking supplemental rebates:

**Wednesday, February 28, 2007:** Final supplemental rebate offers and the **signed Virginia Supplemental Drug Rebate Agreement\*** must be submitted to First Health Services by close of business.

*\*Please note that this is a change to Virginia Medicaid's process. The signed Virginia Supplemental Drug Rebate Agreement will now be due with the rebate offer. This will eliminate the need to send a signed contract following the P&T Committee meeting.*

**Tuesday, April 17, 2007:** Meeting of the P&T Committee to review clinical information, pricing information, and to select which drugs will not require prior authorization.

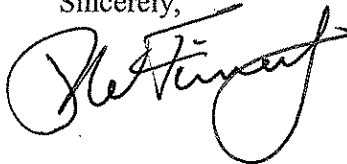
**Monday, July 1, 2007:** Implement prior authorization requirements for drugs that were not selected to be on the PDL.

If you have any questions regarding the PDL process, please contact [pdlinput@dmas.virginia.gov](mailto:pdlinput@dmas.virginia.gov). All correspondence and inquiries regarding pricing and contracting should be directed to:

First Health Services Corporation  
Attention: Doug Brown, Rebate Contracting Manager  
Rebate Contracting and Pricing  
4300 Cox Road  
Glen Allen, Virginia 23060  
Phone: 804-965-7695  
Email: [browndo@fhsc.com](mailto:browndo@fhsc.com)

Despite the impact of Medicare Part D on Virginia Medicaid drug expenditures, we hope that future contracts with pharmaceutical manufacturers will make it possible for the Commonwealth to continue with its Virginia-specific approach. We look forward to working with you.

Sincerely,



Patrick W. Finnerty